

Introduced by Senator EmmersonFebruary 24, 2012

An act to amend Section 1367 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1543, as introduced, Emmerson. Health care service plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law requires health care service plans to meet certain requirements, including, but not limited to, having the organizational and administrative capacity to provide services to subscribers and enrollees and providing basic health care services, as defined, to those subscribers and enrollees.

This bill would make technical, nonsubstantive changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1367 of the Health and Safety Code is
- 2 amended to read:
- 3 1367. A health care service plan and, if applicable, a specialized
- 4 health care service plan shall meet the following requirements:
- 5 (a) Facilities located in this state including, but not limited to,
- 6 clinics, hospitals, and skilled nursing facilities to be utilized by
- 7 the plan shall be licensed by the State Department of *Public* Health
- 8 ~~Services~~, where licensure is required by law. Facilities not located

1 in this state shall conform to all licensing and other requirements
2 of the jurisdiction in which they are located.

3 (b) Personnel employed by or under contract to the plan shall
4 be licensed or certified by their respective board or agency, where
5 licensure or certification is required by law.

6 (c) Equipment required to be licensed or registered by law shall
7 be so licensed or registered, and the operating personnel for that
8 equipment shall be licensed or certified as required by law.

9 (d) The plan shall furnish services in a manner providing
10 continuity of care and ready referral of patients to other providers
11 at times as may be appropriate, consistent with good professional
12 practice.

13 (e) (1) All services shall be readily available at reasonable times
14 to each enrollee consistent with good professional practice. To the
15 extent feasible, the plan shall make all services readily accessible
16 to all enrollees consistent with Section 1367.03.

17 (2) To the extent that telemedicine services are appropriately
18 provided through telemedicine, as defined in subdivision (a) of
19 Section 2290.5 of the Business and Professions Code, these
20 services shall be considered in determining compliance with
21 Section 1300.67.2 of Title 28 of the California Code of
22 Regulations.

23 (3) The plan shall make all services accessible and appropriate
24 consistent with Section 1367.04.

25 (f) The plan shall employ and utilize allied health manpower
26 for the furnishing of services to the extent permitted by law and
27 consistent with good medical practice.

28 (g) The plan shall have the organizational and administrative
29 capacity to provide services to subscribers and enrollees. The plan
30 shall be able to demonstrate to the department that medical
31 decisions are rendered by qualified medical providers, unhindered
32 by fiscal and administrative management.

33 (h) (1) Contracts with subscribers and enrollees, including
34 group contracts, and contracts with providers, and other persons
35 furnishing services, equipment, or facilities to or in connection
36 with the plan, shall be fair, reasonable, and consistent with the
37 objectives of this chapter. All contracts with providers shall contain
38 provisions requiring a fast, fair, and cost-effective dispute
39 resolution mechanism under which providers may submit disputes
40 to the plan, and requiring the plan to inform its providers upon

1 contracting with the plan, or upon change to these provisions, of
2 the procedures for processing and resolving disputes, including
3 the location and telephone number where information regarding
4 disputes may be submitted.

5 (2) A health care service plan shall ensure that a dispute
6 resolution mechanism is accessible to noncontracting providers
7 for the purpose of resolving billing and claims disputes.

8 (3) On and after January 1, 2002, a health care service plan shall
9 annually submit a report to the department regarding its dispute
10 resolution mechanism. The report shall include information on the
11 number of providers who utilized the dispute resolution mechanism
12 and a summary of the disposition of those disputes.

13 (i) A health care service plan contract shall provide to
14 subscribers and enrollees all of the basic health care services
15 included in subdivision (b) of Section 1345, except that the director
16 may, for good cause, by rule or order exempt a plan contract or
17 any class of plan contracts from that requirement. The director
18 shall by rule define the scope of each basic health care service that
19 health care service plans are required to provide as a minimum for
20 licensure under this chapter. Nothing in this chapter shall prohibit
21 a health care service plan from charging subscribers or enrollees
22 a copayment or a deductible for a basic health care service or from
23 setting forth, by contract, limitations on maximum coverage of
24 basic health care services, provided that the copayments,
25 deductibles, or limitations are reported to, and held unobjectionable
26 by, the director and set forth to the subscriber or enrollee pursuant
27 to the disclosure provisions of Section 1363.

28 (j) A health care service plan shall not require registration under
29 the Controlled Substances Act of 1970 (21 U.S.C. Sec. 801 et seq.)
30 as a condition for participation by an optometrist certified to use
31 therapeutic pharmaceutical agents pursuant to Section 3041.3 of
32 the Business and Professions Code.

33 Nothing in this section shall be construed to permit the director
34 to establish the rates charged subscribers and enrollees for
35 contractual health care services.

36 The director's enforcement of Article 3.1 (commencing with
37 Section 1357) shall not be deemed to establish the rates charged
38 subscribers and enrollees for contractual health care services.

39 The obligation of the plan to comply with this section shall not
40 be waived when the plan delegates any services that it is required

- 1 to perform to its medical groups, independent practice associations,
- 2 or other contracting entities.

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